

**Notice of Critical Status**  
**for**  
**Bakery Drivers Local 802 Pension Fund**  
**EIN: 51-6112573 / PN: 001**

This is to inform you that the plan actuary certified to the U.S. Department of the Treasury, and also to the Plan sponsor, that the Plan is in Critical Status for the Plan year beginning January 1, 2023. Federal law requires that you receive this notice.

**Critical Status**

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that the Plan has not passed the "Emergence Test", meaning that the Plan was in Critical Status last year and is projected to have an accumulated funding deficiency in the current Plan Year or within the next 9 years.

**Rehabilitation Plan**

Federal law requires pension plans in Critical Status to adopt a Rehabilitation Plan aimed at restoring the financial health of the Plan. This is the 16<sup>th</sup> year the Plan has been in Critical Status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a Rehabilitation Plan. As a result, the Trustees adopted the Fund's Rehabilitation Plan on November 25, 2008 and also revised the Rehabilitation Plan in November 2010. (You have a right to receive a copy of the Rehabilitation Plan on request.) As part of this process, the benefit formula was changed effective January 1, 2009 and you were notified of this in December 2008. Further, the law permits a pension fund in critical status to reduce, or even eliminate, benefits called "Adjustable Benefits" as part of a rehabilitation plan.

If the trustees of the Plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those cut. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after April 11, 2008. In addition, effective April 11, 2008, the Pension Fund is not permitted to make payments in excess of the monthly amount paid as a single life annuity while it is in critical status.

**Adjustable Benefits**

The Fund offers the following adjustable benefits which may be reduced or eliminated, if not in pay status as of April 11, 2008, as part of any Rehabilitation Plan the Fund may adopt: post-retirement death benefits, thirty-six month payment guarantees, disability benefits, retirement-type subsidies and subsidized early retirement benefits.

**Employer Surcharge**

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation until such time as their collective bargaining agreements are updated to reflect the contribution increases required by the Rehabilitation Plan. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status.

**Where to Get More Information**

For more information about this Notice or to receive a copy of the rehabilitation plan, you may contact:

Board of Trustees  
Bakery Drivers Local 802 Pension Fund  
2151 Marion Place  
North Baldwin, NY 11510  
(516) 378-2011

DATE SENT: \_\_\_\_\_